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AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORTS**

June 30, 1999

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-12-00

AVOYELLES COUNCIL ON AGING, INC.
MARKSVILLE, LOUISIANA

FINANCIAL STATEMENTS AND AUDITORS' REPORTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

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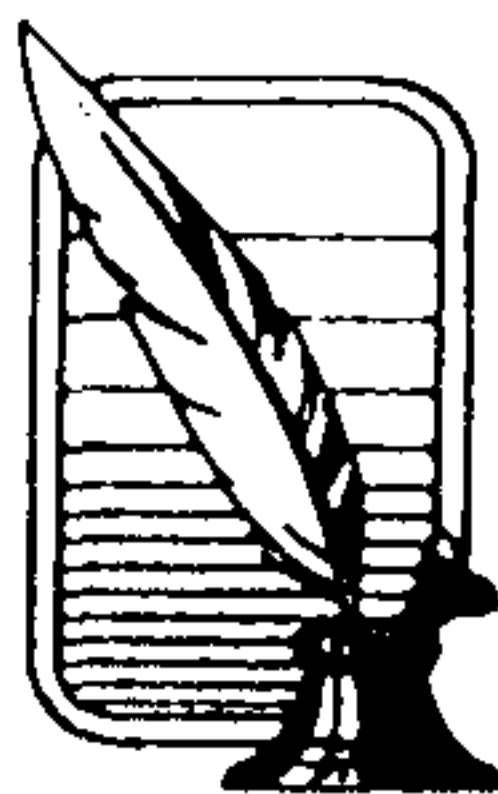
AVOYELLES COUNCIL ON AGING, INC.
MARKSVILLE, LOUISIANA

FINANCIAL STATEMENTS AND AUDITORS' REPORTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

Board of Directors
Avoyelles Council on Aging, Inc.
Marksville, Louisiana

We have audited the accompanying general purpose financial statements of Avoyelles Council on Aging, Inc., (a non-profit, quasi-public organization) as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the **Council's** management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Avoyelles Council on Aging, Inc., as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 1999, on our consideration of the **Council's** internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, and contracts.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Avoyelles Council on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Daugat, Beall & DeBevoise

Certified Public Accountants

November 17, 1999

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998

	<u>Governmental Fund Types</u>		<u>Account Group</u>	<u>Totals</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>	
				<u>1999</u>	<u>1998</u>
ASSETS					
Cash	\$ 170,904	\$ 5,596		\$ 176,500	\$ 188,003
Contracts receivable		19,511		19,511	21,733
Account receivable	5,057	13,191		18,248	23,955
Prepaid Van Match	26,535			26,535	
Due from Special Revenue Fund	28,548			28,548	40,987
General fixed assets	<u> </u>	<u> </u>	<u>\$ 1,032,896</u>	<u>1,032,896</u>	<u>990,753</u>
OTHER DEBITS					
Amount to be provided for retirement of long term debt	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>14,663</u>
Total Assets	<u>\$ 231,044</u>	<u>\$ 38,298</u>	<u>\$ 1,032,896</u>	<u>\$ 1,302,238</u>	<u>\$ 1,280,094</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
LIABILITIES:					
Accounts payable	\$ 2,779	\$ 3,382		\$ 6,161	\$ 3,979
Deferred Revenue - advanced rent					3,000
Due to General Fund		28,548		28,548	40,987
Capital lease payable	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>14,663</u>
Total Liabilities	2,779	31,930	-0-	34,709	62,629
FUND EQUITY AND OTHER CREDITS:					
Investment in General Fixed Assets			\$ 1,032,896	1,032,896	990,753
Fund balances					
Reserved Utility Assistance/FEMA		\$ 6,368		6,368	9,083
Unreserved - Undesignated	<u>\$ 228,265</u>	<u> </u>	<u> </u>	<u>228,265</u>	<u>217,629</u>
Total Fund Equity and Other Credits	<u>228,265</u>	<u>6,368</u>	<u>1,032,896</u>	<u>1,267,529</u>	<u>1,217,465</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 231,044</u>	<u>\$ 38,298</u>	<u>\$ 1,032,896</u>	<u>\$ 1,302,238</u>	<u>\$ 1,280,094</u>

The accompanying notes are an integral part of this statement.

AVOUELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**
For the Year Ended June 30, 1999
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
Revenues				
Intergovernmental				
Cenla Area Agency on Aging, Inc.		\$ 243,370	\$ 243,370	\$ 249,128
Federal Energy Management Agency		15,300	15,300	15,976
Title 19 - DIII		66,219	66,219	56,345
I.A Department of Transportation		143,199	143,199	120,128
I.A Department of Social Services		39,304	39,304	62,006
Department of Health and Hospitals	\$ 17,038		17,038	15,708
Office of Elderly Affairs	21,779		21,779	11,779
Public support	25,494	142,797	168,291	164,518
Interest income	3,727		3,727	4,345
Rental income	36,000		36,000	36,000
Other		9,154	9,154	5,826
In-kind revenues	<u>69,300</u>	<u>36,000</u>	<u>105,300</u>	<u>112,626</u>
Total revenues	<u>173,338</u>	<u>695,343</u>	<u>868,681</u>	<u>854,385</u>
Expenditures				
Current:				
Salaries	7,521	397,608	405,129	383,234
Fringe	689	43,836	44,525	40,481
Travel	503	43,960	44,463	43,576
Operating services	63,160	132,049	195,209	186,715
Operating supplies	1,806	35,464	37,270	36,217
Other	5,438		5,438	
Debt service:				
Principal		14,663	14,663	19,947
Interest		1,489	1,489	4,057
Capital outlay	76,574		76,574	39,043
In-kind expenses		<u>36,000</u>	<u>36,000</u>	<u>112,626</u>
Total expenditures	<u>155,691</u>	<u>705,069</u>	<u>860,760</u>	<u>865,896</u>
Excess (deficiency) of revenues over expenditures	17,647	(9,726)	7,921	(11,511)
Other financing sources (uses)				
Operating transfers in	18,524	240,791	259,315	222,845
Operating transfers out	<u>(25,535)</u>	<u>(233,780)</u>	<u>(259,315)</u>	<u>(222,845)</u>
Total other financing sources (uses)	(7,011)	7,011	-0-	-0-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	10,636	(2,715)	7,921	(11,511)
Fund balance, beginning	<u>217,629</u>	<u>9,083</u>	<u>226,712</u>	<u>238,223</u>
Fund balance, ending	<u>\$ 228,265</u>	<u>\$ 6,368</u>	<u>\$ 234,633</u>	<u>\$ 226,712</u>

The accompanying notes are an integral part of this statement.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 1999**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental			
Department of Health & Hospitals	\$ 17,000	\$ 17,038	\$ 38
Office of Elderly Affairs	21,779	21,779	-0-
Public support	11,641	25,494	13,853
Interest income	3,600	3,727	127
Rental income	36,000	36,000	-0-
In-kind revenues	-0-	69,300	69,300
Total revenues	<u>90,020</u>	<u>173,338</u>	<u>83,318</u>
EXPENDITURES			
Current:			
Salaries	6,670	7,521	(851)
Fringe	737	689	48
Travel	460	503	(43)
Operating services	46,094	63,160	(17,066)
Operating supplies	1,154	1,806	(652)
Other	1,960	5,438	(3,478)
Capital outlay		76,574	(76,574)
Total expenditures	<u>57,075</u>	<u>155,691</u>	<u>(98,616)</u>
Excess (deficiency) of revenues over expenditures	32,945	17,647	(15,298)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	18,090	18,524	434
Operating transfers out	<u>(25,535)</u>	<u>(25,535)</u>	<u>-0-</u>
Total other financing sources (uses)	(7,445)	(7,011)	434
Excess (deficiency) of revenues and other sources over expenditures and other uses	25,500	10,636	(14,864)
Fund balance, beginning	<u>217,629</u>	<u>217,629</u>	<u>-0-</u>
Fund balance, ending	<u>\$ 243,129</u>	<u>\$ 228,265</u>	<u>\$ (14,864)</u>

The accompanying notes are an integral part of this statement.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
For the Year Ended June 30, 1999**

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
REVENUES			
Intergovernmental			
Cenla Area Agency on Aging, Inc.	\$ 234,524	\$ 243,370	\$ 8,846
Federal Energy Management Agency	15,976	15,300	(676)
Title 19 - DHH	70,000	66,219	(3,781)
LA Department of Transportation	143,199	143,199	-0-
LA Department of Social Services	80,000	39,304	(40,696)
Public support	124,616	142,797	18,181
Other		9,154	9,154
In-kind income		<u>36,000</u>	<u>36,000</u>
Total revenues	<u>668,315</u>	<u>695,343</u>	<u>27,028</u>
EXPENDITURES			
Current:			
Salaries	415,271	397,608	17,663
Fringe	46,294	43,836	2,458
Travel	40,939	43,960	(3,021)
Operating services	140,310	132,049	8,261
Operating supplies	32,946	35,464	(2,518)
Debt service:			
Principal		14,663	(14,663)
Interest		1,489	(1,489)
In-kind expenses		<u>36,000</u>	<u>(36,000)</u>
Total expenditures	<u>675,760</u>	<u>705,069</u>	<u>(29,309)</u>
Excess (deficiency) of revenues over expenditures	(7,445)	(9,726)	(2,281)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	205,617	240,791	35,174
Operating transfers out	<u>(198,172)</u>	<u>(233,780)</u>	<u>(35,608)</u>
Total other financing sources (uses)	<u>7,445</u>	<u>7,011</u>	<u>(434)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-0-	(2,715)	(2,715)
Fund balance, beginning	<u>9,083</u>	<u>9,083</u>	<u>-0-</u>
Fund balance, ending	<u>\$ 9,083</u>	<u>\$ 6,368</u>	<u>\$ (2,715)</u>

The accompanying notes are an integral part of this statement.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Avoyelles Council on Aging, Inc. is a non-profit corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs. The **Council** also receives revenues from other federal, state, and local government agencies which may impose certain restrictions on how the **Council** can use the money provided.

*The **Council** is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the **Council** has presented its financial statements as a separate special-purpose government.*

The primary function of Avoyelles Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly. Such services include providing a location for meals, nutritional education, information and referral services, chore services, operating senior centers, and transportation. A Board of Directors, consisting of voluntary members who serve three-year terms, governs the **Council**.

B. Presentation of Statements:

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

B. Presentation of Statements: (continued)

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have incorporated any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors; and, the Louisiana Governmental Audit Guide.

C. Fund Accounting:

The accounts of the **Council** are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report into two generic fund types and one broad fund category (account group).

Governmental Fund Types

Governmental funds are used to account for all or most of the **Council's** general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of fixed assets, and the servicing of general long-term debt.

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

C. Fund Accounting: (Continued)

General Fund

The General Fund is the general operating fund of the **Council**. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted resources are used to pay for the liabilities incurred by this fund and there are no legal mandates to use a debt service fund.

The following programs comprise the **Council's** General Fund:

Local

Revenues, such as, (1) donations from the general public, (2) income from various fund raisers (3) program service revenue from renting Medic Alert units and providing Medicaid services, and (4) interest income earned on idle funds which have been invested, have been recorded in the "local" program of the General fund. Expenses incurred which are not chargeable to specific programs are recorded at "local" program expenditures. Also, expenses incurred to produce related program service fees and fund raising income are charged to "local" program expenditures. "Local" funds are also used as transfers to special revenue funds to supplement those programs. In addition, fixed asset additions are generally paid with "local" funds.

Medicaid

This is a program where the **Council** completes enrollment applications for people wanting to apply for Medicaid services. The **Council** is paid \$14 per application it completes by the Department of Health and Hospitals (DHH). Any funds remaining after applying direct costs to operate this program are available for discretionary use by management.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

C. Fund Accounting: (Continued)

General Fund (continued)

PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the **Council** by the Louisiana Legislature and remitted to the **Council** via the Governor's Office of Elderly Affairs (GOEA). The council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. Most of the **Council's** special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services - Administration on Aging through the Governor's Office of Elderly Affairs to Cenla Area Agency on Aging, Inc. who funds the **Council** on a predetermined unit cost reimbursement basis up to the contract amount.

The following funds are funds which comprise the **Council's** Special Revenue Funds:

Title III-B Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services and outreach for people age 60 and older.

AVOUELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

C. Fund Accounting: (Continued)

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 1998 to June 30, 1999, the **Council** served about 37,259 congregate meals.

Title III C-2 Home Delivered Meals Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 1998 to June 30, 1999, the **Council** served about 88,345 home delivered meals.

Title III-D Fund

The Title III-D Fund is used to account for funds which are used to provide in-home services to frail older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities or services, such as; (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health and (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically undeserved and in which there are a large number of older individuals who have the greatest economic and social need."

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

C. Fund Accounting: (Continued)

Special Revenue Fund (continued)

Senior Center Fund

The Senior Center fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs to Cenla Area Agency on Aging, Inc. who funds the **Council** on a predetermined unit cost reimbursement basis up to the contract amount. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The **Council** operates 3 senior centers in Avoyelles Parish, Louisiana.

Supplemental Senior Center Fund

The Supplemental Senior Center Fund is used to account for additional funds to be used to supplement the primary contract for the Senior Centers. These funds are appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs to Cenla Area Agency Aging, Inc. who funds the **Council**.

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and employees and remit the funds directly to the **Council** or the Louisiana Association of Councils on Aging (LACOA), which in turn remits funds relating to Avoyelles Parish to the **Council**. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

Title XIX Fund

The Title XIX Fund is used to account for funds which are used to provide payments for medical services provided to (1) cash assistance recipients, (2) members of certain mandatory and optional groups who do not receive cash assistance, and (3) other medically needed people who qualify under program guidelines. Title XIX Funds are provided by the United States Department of Health and Human Services as direct reimbursement for costs incurred by the **Council**.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

C. Fund Accounting: (Continued)

Special Revenue Fund (continued)

FEMA

The FEMA fund is used to account for the administration of a program which purpose is to supplement food and shelter assistance to qualified individuals. During the year the Council used the FEMA funds to provide home-delivered meals. Funds were also used to purchase food which was used to make boxes of food that were distributed to needy families and the local food bank. Funds are provided by the Federal Emergency Management Agency through the United Way of America which in turn passes through the funds to the Council. A local board working with the parish's local United Way agency assists the Council in obtaining FEMA funds from United Way's national office.

D. Account Groups

An account group is a financial reporting device designated to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following account group is not a "fund".

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of Avoyelles Council on Aging, Inc. are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. The general obligations of the Council at June 30, 1999, consisted of two capital leases to finance the acquisition of two vans.

AVOUELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

E. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

F. Transfers:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. Budget Policy:

The **Council** follows these procedures in establishing the budgetary data reflected in these financial statements.

- The Cenla Area Agency on Aging, Inc. notifies the **Council** each year as to the funding levels for each program's grant award.
- The **Council** may also obtain grants from agencies other than GOEA and the **Council** considers the potential revenues to be earned under those grants.
- Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.
- The Executive Director prepares a proposed budget based on the funding levels provided by Cenla Area Agency on Aging, Inc. and then submits the budget to the Board of Directors for approval before May 31 of the current year for the following year.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

G. Budget Policy: (Continued)

- The adopted budget is forwarded to the Cenla Area Agency on Aging, Inc. for final approval.
- All budgetary appropriations lapse at the end of each fiscal year (June 30). Occasionally, the **Council** will receive a special project grant which may operate on a period different from the **Council's** normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control policy.
- The **Council** may transfer funds between line items as often as required but must obtain prior approval from the Cenla Area Agency on Aging, Inc. for funds received under grants from GOEA.
- The **Council** is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

H. Total Columns of Combined Statements:

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to help with financial analysis. Data in these columns *do not present financial position, results of operations, or changes in financial position* in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

I. Fixed Assets:

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed asset account group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date of donation.

J. Comparative Data:

Comparative data for the prior year is presented in the accompanying financial statements to provide an understanding of changes in the **Council's** financial position and operations. However, presentation of comparative data by fund type is not presented in each of the statements since its inclusion would make the statements unduly complex and difficult to read.

K. Restricted Assets:

Restricted assets represent assets which are primarily acquired through donations whereby the donor places restrictions on how the donation can be used by the **Council** (i.e., utility assistance funds). Restricted assets are offset by reservations of fund balances.

NOTE 2 REVENUE RECOGNITIONS - INTERGOVERNMENTAL GRANTS, PUBLIC SUPPORT, AND MISCELLANEOUS REVENUES

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period that they become susceptible to accrual, that is, measurable and available (modified accrual basis). (Contracts do not allow the **Council** to recognize revenue until units of services are provided.)

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 2 REVENUE RECOGNITIONS - INTERGOVERNMENTAL GRANTS, PUBLIC SUPPORT, AND MISCELLANEOUS REVENUES (Continued)

Act 735 funds are received as monthly allocations of the total grant in advance of the actual expenditures.

Public Support and Miscellaneous Revenues

The **Council** encourages and receives contributions from clients to help offset the costs of various programs. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior center activities. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

NOTE 3 IN-KIND CONTRIBUTIONS

The **Council** received a building and the use of five buildings during the year as in-kind contributions. These in-kind contributions have been reported as revenues and the offsetting expenditures as costs in the financial statements.

NOTE 4 INCOME TAX STATUS

The **Council**, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 and as an organization that is not a private foundation as defined in Section 509 (a) of the Code. It is also exempt from Louisiana income tax.

NOTE 5 FUND BALANCE - RESERVED

Fund balance - reserved - special revenue fund consists of amounts to be specifically used for utility assistance.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 6 ACCOUNTS AND CONTRACTS RECEIVABLE

Contracts receivable at June 30, 1999, consisted of the following:

<u>Program</u>	<u>Fund</u>	<u>Funding Agency</u>	<u>Amount</u>
Senior Center	Special Revenue	Cenla AAA	\$ 3,029
Title III-B	Special Revenue	Cenla AAA	6,597
Title III C-1	Special Revenue	Cenla AAA	1,041
Title III C-2	Special Revenue	Cenla AAA	7,829
Title III D	Special Revenue	Cenla AAA	245
Title III F	Special Revenue	Cenla AAA	395
Supplemental Senior Center	Special Revenue	Cenla AAA	375
Total			<u>\$19,511</u>

Accounts receivable at June 30, 1999, consisted of the following:

<u>Program</u>	<u>Fund</u>	<u>Funding Agency</u>	<u>Amount</u>
Section 18	Special Revenue	Dept of Transportation	\$ 3,625
Title 19	Special Revenue	DHH	5,989
Medicaid	General	DHH	2,730
Family Independence Work Program	Special Revenue	OFS	2,545
Federal Energy Management Assoc.	Special Revenue	United Way	434
Local	General		2,925
Total			<u>\$18,248</u>

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 7 CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>6/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/99</u>
Furniture & equipment	\$ 126,568	\$ 7,273		\$ 133,841
Vehicles	325,295		34,430	290,865
Land	79,852			79,852
Buildings	<u>459,038</u>	<u>69,300</u>		<u>528,338</u>
Total	<u>\$ 990,753</u>	<u>\$ 76,573</u>	<u>\$ 34,430</u>	<u>\$ 1,032,896</u>

NOTE 8 COMPENSATED ABSENCES

Annual leave is earned by employees and may be carried over into the next year at a rate of no more than one year's accumulation. No amounts have been recorded in the financial statements.

NOTE 9 CASH IN BANK

The **Council** maintains a consolidated bank account to deposit the money it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to cover any negative cash balances in other funds at year end. At June 30, 1999, the balance of the **Council's** bank accounts were \$170,904. The related bank balance (collected deposits) at that date was \$190,939. The **Council** also maintains a bank account for its FEMA funds. At June 30, 1999, the balance of the FEMA account was \$5,596. The related bank balance (collected deposits) at that date was \$5,911.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 9 CASH IN BANK (Continued)

The bank balances are characterized as follows:

Amount insured by federal deposit insurance	\$ 135,767
Amount uncollateralized (collateralized fully by securities held by the pledging financial institution or agent but not in the name of the Avoyelles Council on Aging, Inc. (Category III))	<u>55,172</u>
Total cash on deposit	<u>\$ 190,939</u>

The uncollateralized amount shown above is secured by pledged securities with a market value of \$121,446 at June 30, 1999. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Agency that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 10 JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litigation pending against the **Council** at June 30, 1999. Furthermore, **Council's** management believes that any potential litigation would be adequately covered by insurance.

NOTE 11 FEDERAL AWARD PROGRAMS

The **Council** receives revenues from various federal and state grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the **Council**. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the **Council's** financial position.

AVOYELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 12 ECONOMIC DEPENDENCY

The **Council** receives the majority of its revenue from contracts with Cenla Area Agency on Aging, Inc. If significant budget cuts are made at the federal and/or state level, the amount of funds contracted by Cenla Area Agency on Aging, Inc. could be reduced significantly and have an adverse impact on the **Council's** operations. Management is not aware of any actions that will adversely affect the amount of funds the **Council** will receive in the next fiscal year.

NOTE 13 RELATED PARTY

There were no related party transactions during the fiscal year.

NOTE 14 RISK MANAGEMENT

The **Council** is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The **Council** has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the **Council's** insurance coverage.

NOTE 15 INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for 1999:

Funds Transferred In	<u>Funds Transferred Out</u>					Senior Center	Supplemental Senior Center	FEMA	Section 18 Transportation	General Fund	Total In
	<u>D</u>	<u>B</u>	<u>Title III</u>		<u>C-1</u>						
Title III B- Supportive Services	\$2,940		\$4,685			\$36,348	\$4,500		\$ 86,695	\$25,535	\$160,703
Title III C-2								\$3,879	6,518		10,397
Title 19 Family Independence Work Program		\$ 2,473							23,125		25,598
General Fund		12,328		\$12,264	\$9,116				10,385		44,093
		2,048							16,476		18,524
Total Out	<u>\$2,940</u>	<u>\$16,849</u>	<u>\$4,685</u>	<u>\$12,264</u>	<u>\$9,116</u>	<u>\$36,348</u>	<u>\$4,500</u>	<u>\$3,879</u>	<u>\$143,199</u>	<u>\$25,535</u>	<u>\$259,315</u>

AVOUELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 16 BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

NOTE 17 PRIOR PERIOD ADJUSTMENT

In the prior year, the disposition of two vans were not recorded in the General Fixed Assets and the Investment in General Fixed Assets accounts. Therefore, the prior year balances in the General Fixed Assets and the Investment in General Fixed Assets accounts were overstated by \$41,096. The correction for this overstatement has been reported as a prior period adjustment to the beginning balances of the General Fixed Assets and Investment in General Fixed Assets accounts.

ADDITIONAL INFORMATION

AVOUELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

**COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GENERAL FUND
For the Year Ended June 30, 1999**

	<u>Local</u>	<u>Medicaid</u>	<u>PCOA Act 735</u>	<u>Totals</u>
Revenues				
Intergovernmental				
Office of Elderly Affairs			\$ 21,779	\$ 21,779
Department of Health and Hospitals		\$ 17,038		17,038
Public support	\$ 25,494			25,494
Interest income	3,727			3,727
Rental income	36,000			36,000
In-kind revenues	<u>69,300</u>			<u>69,300</u>
Total revenues	<u>134,521</u>	<u>17,038</u>	<u>21,779</u>	<u>173,338</u>
Expenditures				
Current:				
Salaries	5,193	2,328		7,521
Fringe	441	248		689
Travel	386	117		503
Operating services	53,734	9,426		63,160
Operating supplies	819	987		1,806
Other	5,438			5,438
Capital outlay	<u>76,574</u>			<u>76,574</u>
Total expenditures	<u>142,585</u>	<u>13,106</u>	<u>-0-</u>	<u>155,691</u>
Excess (deficiency) of revenues over expenditures	(8,064)	3,932	21,779	17,647
Other financing sources (uses)				
Operating transfers in	18,524			18,524
Operating transfers out	<u> </u>	<u>(3,756)</u>	<u>(21,779)</u>	<u>(25,535)</u>
Total other financing sources (uses)	18,524	(3,756)	(21,779)	(7,011)
Excess (deficiency) of revenues and other sources over expenditures and other uses	10,460	176	-0-	10,636
Fund balance, beginning	<u>214,888</u>	<u>2,741</u>	<u>-0-</u>	<u>217,629</u>
Fund balance, ending	<u>\$ 225,348</u>	<u>\$ 2,917</u>	<u>\$ -0-</u>	<u>\$ 228,265</u>

The accompanying notes are an integral part of this statement.

SCHEDULE 2 (continued)

Excess (deficiency) of revenues over expenditures	(19)	1,183	(25,598)	143,199	4,685	(143,854)	36,348	2,940	12,264	(1,281)
Other financing sources (uses)										
Operating transfers in			25,598			160,703				10,397
Operating transfers out		<u>(3,879)</u>		<u>(143,199)</u>	<u>(4,685)</u>	<u>(16,849)</u>	<u>(36,348)</u>	<u>(2,940)</u>	<u>(12,264)</u>	<u>(9,116)</u>
Total other financing sources (uses)	-0-	(3,879)	25,598	(143,199)	(4,685)	143,854	(36,348)	(2,940)	(12,264)	1,281
Excess (deficiency) of revenues and other sources over expenditures and other uses	(19)	(2,696)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fund balance, beginning	247	<u>8,836</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund balance, ending	\$ 228	<u>\$ 6,140</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.

AVOUELLES COUNCIL ON AGING, INC.
 Marksville, Louisiana

COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 1999

	Family Independence Work Program	Supplemental Senior Center	Totals
Revenues			
Intergovernmental			
Cenla Area Agency on Aging, Inc		\$4,500	\$243,370
Federal Energy Management Agency Title 19 - DHH			15,300 66,219 143,199
LA Dept of Transportation	\$39,304		39,304
LA Dept of Social Services	81		142,797
Public support			9,154
Other			<u>36,000</u>
In-kind revenues			<u>695,343</u>
Total Revenues	<u>39,385</u>	<u>4,500</u>	
Expenditures			
Current:			
Salaries	39,212		397,608
Fringe	4,300		43,836
Travel	2,029		43,960
Operating services	23,592		132,049
Operating supplies	9,015		35,464
Debt service:			
Principal	4,839		14,663
Interest	491		1,489
In-kind expenses			<u>36,000</u>
Total expenditures	<u>83,478</u>	<u>-0-</u>	<u>705,069</u>

SCHEDULE 2 (continued)

Excess (deficiency) of revenues over expenditures	(44,093)	4,500	(9,726)
Other financing sources (uses)			
Operating transfers in	44,093		240,791
Operating transfers out		(4,500)	(233,780)
Total other financing sources (uses)	44,093	(4,500)	7,011
Excess (deficiency) of revenues and other sources over expenditures and other uses	-0-	-0-	(2,715)
Fund balance, beginning	-0-	-0-	9,083
Fund balance, ending	\$ -0-	\$ -0-	\$ 6,368

The accompanying notes are an integral part of this statement.

AVOUELLES COUNCIL ON AGING, INC.
Marksville, Louisiana

SCHEDULE OF PROGRAM EXPENDITURES BUDGET VS. ACTUAL
For the Year Ended June 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TITLE III-B SUPPORTIVE SERVICES</u>			
Salaries	\$ 158,557	\$ 144,491	\$ 14,066
Fringe	17,172	15,964	1,208
Travel	5,169	6,937	(1,768)
Operating services	53,599	45,343	8,256
Operating supplies	12,461	14,104	(1,643)
Debt service:			
Principal		4,839	(4,839)
Interest		492	(492)
In-kind expenses		36,000	(36,000)
Transfers to:			
General fund		2,048	(2,048)
Title 19		2,473	(2,473)
Family independence work program		12,328	(12,328)
Totals	<u>\$ 246,958</u>	<u>\$ 285,019</u>	<u>\$ (38,061)</u>
<u>TITLE III C-1</u>			
Salaries	\$ 50,887	\$ 53,079	\$ (2,192)
Fringe	5,505	5,691	(186)
Travel	1,486	1,193	293
Operating services	5,297	4,920	377
Operating supplies	2,175	1,566	609
Transfers to:			
Family independence program		12,264	(12,264)
Totals	<u>\$ 65,350</u>	<u>\$ 78,713</u>	<u>\$ (13,363)</u>
<u>TITLE III C-2</u>			
Salaries	\$ 104,415	\$ 95,148	\$ 9,267
Fringe	11,307	10,550	757
Travel	32,156	32,439	(283)
Operating services	12,581	15,254	(2,673)
Operating supplies	432	689	(257)
Transfers to:			
Family Independence Work Program		9,116	(9,116)
Totals	<u>\$ 160,891</u>	<u>\$ 163,196</u>	<u>\$ (2,305)</u>

AVOYELLES COUNCIL ON AGING, INC.
 Marksville, Louisiana

SCHEDULE OF PROGRAM EXPENDITURES BUDGET VS. ACTUAL
 For the Year Ended June 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>SENIOR CENTER</u>			
Transfers to:			
Title III B	\$ 36,348	\$ 36,348	\$ -0-
Totals	<u>\$ 36,348</u>	<u>\$ 36,348</u>	<u>\$ -0-</u>
<u>TITLE III-D SUPPORTIVE SERVICES</u>			
Transfers to:			
Title III B	\$ 2,940	\$ 2,940	\$ -0-
Totals	<u>\$ 2,940</u>	<u>\$ 2,940</u>	<u>\$ -0-</u>
<u>TITLE III-F SUPPORTIVE SERVICES</u>			
Transfers to:			
Title III B	\$ 4,685	\$ 4,685	\$ -0-
Totals	<u>\$ 4,685</u>	<u>\$ 4,685</u>	<u>\$ -0-</u>
<u>SUPPLEMENTAL SENIOR CENTER</u>			
Transfers to:			
Title III B	\$ 4,500	\$ 4,500	\$ -0-
Totals	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ -0-</u>
<u>PCOA - ACT 735</u>			
Transfers to:			
Title III B	\$ 21,779	\$ 21,779	\$ -0-
Totals	<u>\$ 21,779</u>	<u>\$ 21,779</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.

AVOYELLES COUNCIL ON AGING, INC.
 Marksville, Louisiana

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
 AND CHANGES IN GENERAL FIXED ASSETS
 For the Year Ended June 30, 1999

	Balance June 30, <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1999</u>
GENERAL FIXED ASSETS, AT COST				
Furniture and Equipment	\$ 126,568	\$ 7,273		\$ 133,841
Vehicles	325,295		\$ 34,430	290,865
Land	79,852			79,852
Buildings	<u>459,038</u>	<u>69,300</u>		<u>528,338</u>
Total General Fixed Assets	<u>\$ 990,753</u>	<u>\$ 76,573</u>	<u>\$ 34,430</u>	<u>\$ 1,032,896</u>
INVESTMENT IN GENERAL FIXED ASSETS				
Title III-B	\$ 1,614			\$ 1,614
General Fund	827,010	\$ 76,573	\$ 13,331	890,252
Title III-C-1	55,349			55,349
Title III-C-2	21,190			21,190
Family Independence Work Program	465			465
Title 19	575			575
Title III B-SS	1,957			1,957
Section 16 (B) (2)	76,833		21,099	55,734
Donated	2,500			2,500
Senior Center	<u>3,260</u>			<u>3,260</u>
Total Investment in General Fixed Assets	<u>\$ 990,753</u>	<u>\$ 76,573</u>	<u>\$ 34,430</u>	<u>\$ 1,032,896</u>

The accompanying notes are an integral part of this statement.

**AVOYELLES COUNCIL ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 1999**

<u>Federal Agency/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Federal Award</u>	<u>Federal Awards Expended</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Louisiana Governor's Office of Elderly Affairs:			
Cenla Area Agency on Aging, Inc.			
Special Programs for the Aging:			
Title III - B	93.044	\$ 66,603	\$ 66,603
Title III - D	93.046	2,499	2,499
Title III - F	93.043	3,982	3,982
Title III - C-1	93.045	15,142	15,142
Title III - C-2	93.045	27,995	27,995
Title XIX	93.778	33,110	33,110
Find Work Program	93.561	<u>19,652</u>	<u>19,652</u>
Totals		<u>\$ 168,983</u>	<u>\$ 168,983</u>
DEPARTMENT OF TRANSPORTATION			
Passed through the Louisiana Department of Transportation and Development			
Passed through the Avoyelles Parish Police Jury:			
UMTA - Public transportation for Non-urbanized area program Federal Project Number LA-18-X011 State Project Number 741-05-0100	20,509	\$ 143,199	\$ 143,199
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Passed through United Way Disaster Assistance	83,516	<u>\$ 15,300</u>	<u>\$ 15,300</u>
<u>TOTAL FEDERAL FINANCIAL ASSISTANCE</u>		<u>\$ 327,482</u>	<u>\$ 327,482</u>

Notes:

The Schedule of Expenditures for Federal Awards was prepared on the modified accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the Council's accounting policies.

No federal awards were awarded to the subrecipients during the year ended June 30, 1999.

See independent auditor's report.

**OTHER REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Avoyelles Council on Aging, Inc.

We have audited the general purpose financial statements of Avoyelles Council on Aging, Inc. (a non-profit organization) as of and for the year ended June 30, 1999, and have issued our report thereon dated November 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the **Council's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **Council's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

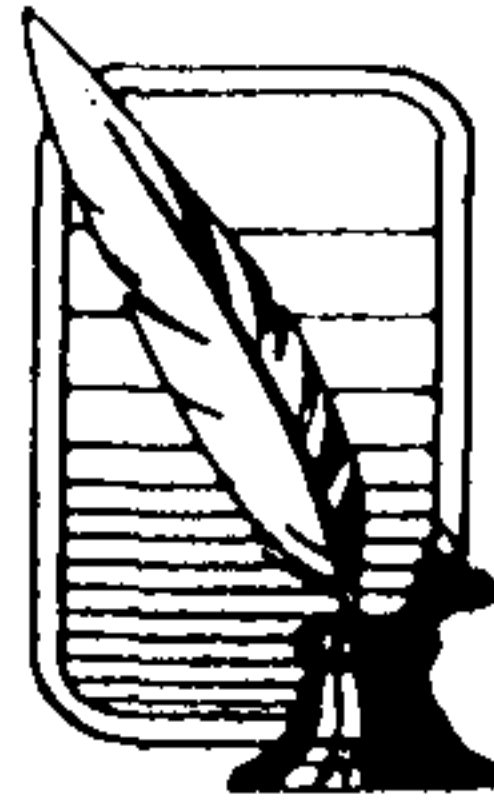
This report is intended for the information of the Board of Directors, management and federal awarding agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Daryati, Beall & DeBevoise

Certified Public Accountants

November 17, 1999

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Avoyelles Council on Aging, Inc.
Marksville, LA.

Compliance

We have audited the compliance of the Avoyelles Council on Aging, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The Avoyelles Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Avoyelles Council on Aging, Inc.'s management. Our responsibility is to express an opinion on the Avoyelles Council on Aging, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Avoyelles Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Avoyelles Council on Aging, Inc.'s compliance with those requirements.

In our opinion, the Avoyelles Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June, 30, 1999.

Internal Control Over Compliance

The management of the Avoyelles Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Avoyelles Council on Aging, Inc.'s *internal control over compliance* with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the *internal control over compliance* would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected *within a timely period by employees in the normal course of performing their assigned functions*. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Avoyelles Council on Aging, Inc.'s management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Daugat, Beall & Belovec

Certified Public Accountants
November 17, 1999

**AVOYELLES PARISH COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1999**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	_____yes <u> √ </u> no
Reportable condition(s) identified not considered to be material weaknesses?	_____yes <u> √ </u> none reported
Noncompliance material to financial statements noted?	_____yes <u> √ </u> no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____yes <u> √ </u> no
Reportable condition(s) identified not considered to be material weaknesses?	_____yes <u> √ </u> no
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____yes <u> √ </u> no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

20.509

Department of Transportation
UMTA - Public Transportation

Dollar threshold used to distinguish
between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

_____yes no

Section II - Financial Statement Findings

Reportable Conditions

No matters were reported.

**AVOYELLES COUNCIL ON AGING, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 1998**

**SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

There were no Internal Control or Compliance findings.